

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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MAR 13 2008
PUBLIC SERVICE
COMMISSION

In the Matter of:

INVESTIGATION INTO TRANSACTIONS)
BETWEEN SOUTHERN MADISON WATER) CASE NO. 2006-00465
DISTRICT AND COMMISSIONER JERRY COMBS)

RESPONSE TO ORDER DATED 02/15/08

Comes Southern Madison Water District (hereinafter District), by counsel, and in response to the Order to advise Commission of actions taken, responds as follows:

IN RE: Current Commissioner Salary Levels

An investigation of this matter revealed that the District had approached the Madison County Judge Executive Kent Clark and obtained approval to raise their salary to \$4,800 annually prior to January 12, 1999. Through oversight, this matter was not presented to the Madison County Fiscal Court for approval.

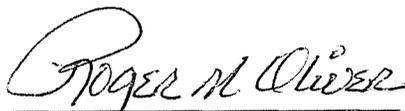
This matter was presented to the Madison County Fiscal Court at its regular meeting held on March 11, 2008. After discussion the Fiscal Court voted to approve a salary level of \$4800 annually for the District Commissioners retroactive to January 1999. This approval was subject to the Commissioners completing the minimum management training classes required by KRS 74.020(6). A copy of the minutes for the Fiscal Court Meeting are attached hereto.

IN RE: Mr. Combs' 6 Hours of District Management Training for 2006

An investigation of this issue revealed that inquiry was made of the Office of Local Development if their program was approved training. The District was advised that it was although it cannot be recalled if the inquiry specifically addressed approval by the PSC. Apparently it was not. In any event, Commissioner Combs, as well as Commissioner Todd who had already attended 6 hours of approved training, attended the program conducted by the Governor's Office of Local Development. They were required to sign in and out of the program, there were other water district commissioners present and matters of interest to water districts were presented at the program.

In light of the honest mistake and the benefits accrued as a result of attending the program, Commissioner Combs would ask the Commission to consider Commissioner Combs' attendance as substantial compliance with the educational requirements. In the alternative, Commissioner Combs would request that the Commission allow him to attend 12 hours of PSC approved training during the 2007 year. If the Commission will not approve either alternative, Commissioner Combs proposes that the overpayment be recouped by the deduction of \$100 per month from his future salary until the \$1200 is repaid.

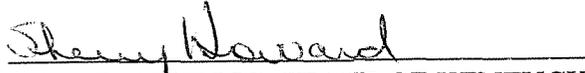
I have read the foregoing Response and the facts stated therein are true and correct based upon my information and belief and relying upon information supplied to me by the Madison County Judge Executive, District Superintendent Tommy Bussell and Commissioners Combs and Todd.



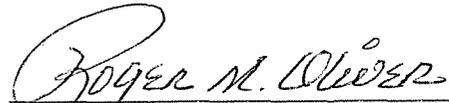
ROGER M. OLIVER

STATE OF KENTUCKY
COUNTY OF MADISON

The foregoing Response was subscribed and sworn to before me by Roger M. Oliver on this
12th day of March, 2008.


NOTARY PUBLIC, STATE OF KENTUCKY AT LARGE
MY COMMISSION EXPIRES: 08/04/09

Submitted by:


ROGER M. OLIVER
OLIVER & OLIVER
P.O. Box 287
Berea, KY 40403
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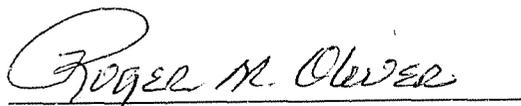
ATTORNEY FOR SMWD

CERTIFICATE OF SERVICE

The undersigned does certify that he has served this Response upon:

Beth O'Donnell, Executive Director
Commonwealth of Kentucky
Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, KY 40602-0615

by mailing a true copy thereof on this 12th day of March, 2008.


ROGER M. OLIVER

COURT MET

HONORABLE KENT CLARK COUNTY JUDGE EXECUTIVE PRESIDING

The Madison County Fiscal Court convened in regular session on the 11th day of March 2008 at 9:30am in the Berea Municipal Building, Berea, Kentucky. Present was the Honorable Kent Clark in the chair presiding and the following members of the Fiscal Court, William H. Tudor, Roger Barger, Harold K. Botner, and Larry Combs. Madison County Clerk Billy Gabbard and Assistant Madison County Attorney Jennie Haymond were also present.

It being determined a quorum was present the meeting was called to order.

Motion by Larry Combs, seconded by Harold Botner to approve the minutes from the last two court meeting.

Motion carried on roll call vote as follows:

William H. Tudor-Yes	Roger Barger-Yes
Harold K. Botner-Yes	Larry Combs-Yes
Kent Clark-Yes	

Treasurers Report is accepted subject to audit.

IN RE: BARBARA BENTLEY – UNDER AGE DRINKING PROGRAM

Barbara Bentley chairperson of the Under Age Drinking Program came before the court to speak about the organization and several programs they have funding thru grants. She also stated Madison County would be having an underage drinking forum next week.

IN RE: PHYLLIS ADAMS – CHILDREN'S SURVEY & INFORMATION

Phyllis Adams came before the court to thank them for their support of the Children's Champion Month. She stated billboards of the winners would be up in Richmond and Berea soon. She also brought them up to date on the monthly activities for March.

IN RE: 2008-2009 COUNTY ROAD AID CONTRACT & RESOLUTION

Motion by Roger Barger, seconded by Harold K. Botner to enter into county road aid contract and resolution with the state for money from the Commission of Transportation. This agreement authorizes Judge Clark to sign contract and any necessary paperwork.

Motion carried on roll call vote as follows:

William H. Tudor-Yes	Roger Barger-Yes
Harold K. Botner-Yes	Larry Combs-Yes
Kent Clark-Yes	

IN RE: SOUTHERN MADISON WATER BOARD

Roger Oliver, attorney for the Southern Madison Water Board, came before the court to request the court raise the board's rate of pay back to 1999. He stated the board felt at that time they'd followed the correct steps, per KRS, but have found recently, it should have been approved by fiscal court.

Magistrate Barger voiced his concern that this had taken place several years earlier, and three of the current magistrates were not members of fiscal court at the time.

Motion by William H. Tudor, seconded by Harold K. Botner to retroactively approve \$100.00 raise back to 1999 for the Southern Madison Water Board.

Motion carried on roll call vote as follows:

William H. Tudor-Yes	Roger Barger-No
Harold K. Botner-Yes	Larry Combs-Abstained
Kent Clark-Yes	

IN RE: JUDGE'S REPORT

- Open House for new school superintendent Mr. Floyd on March 13th from 4:30 to 6pm
- Southern Road Dept. Annex now opened
- April 24th, Berca Chamber of Commerce meeting, with special speaker Lt. Governor Mongiardo.
- Welcomed Mayor Connelly to the audience and thanked him for the use of the courtroom.
- HB600 – hoping the bill will not pass, would be a large loss of funding for the county in several departments.

IN RE: COMMENTS FROM MAGISTRATES

Magistrate Tudor mentioned how the winter weather has affected the roads and caused pot holes. He stated he felt all utility boards work very hard and deserve all money they receive.

Magistrate Barger asked what magistrate was observing the Southern Madison Water Board, Magistrate Combs said he didn't mind observing in the future. Magistrate Barger commended Kit Carson Elem on their news program performed by the students.

Magistrate Botner stated he'd met with Tom Edwards with Fish and Wildlife, who's with the Friends Of Muddy Creek. He stated Mr. Edwards was doing good work. He also thanked the Road Dept. for their hard work this winter.

Magistrate Combs stated that the counties supply of salt has now been depleted. He thanked the court for meeting in Berea.

IN RE: PAY CLAIMS AND APPROVE TRANSFERS

Motion by Larry Combs, seconded by Harold K. Botner to pay claims and approve transfers.

Motion carried on roll call vote as follows:

- | | |
|----------------------|------------------|
| William H. Tudor-Yes | Roger Barger-Yes |
| Harold K. Botner-Yes | Larry Combs-Yes |
| Kent Clark-Yes | |

IN RE: ADJOURNMENT

Motion by Roger Barger, seconded by Harold K. Botner to adjourn until the next scheduled meeting.

Motion carried on roll call vote as follows:

- | | |
|----------------------|------------------|
| William H. Tudor-Yes | Roger Barger-Yes |
| Harold K. Botner-Yes | Larry Combs-Yes |
| Kent Clark-Yes | |

KENT CLARK CO JUDGE/EXECUTIVE